

Leig, Chair  
Klemme  
Freyvert

HSB 550  
Agriculture

HOUSE FILE \_\_\_\_\_ 2523  
BY (PROPOSED COMMITTEE ON  
AGRICULTURE BILL BY  
CHAIRPERSON KLEMME)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act restricting investment tax credits related to confinement  
2 feeding operations.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 422.11F INVESTMENT TAX CREDITS  
2 RESTRICTED -- CONFINEMENT FEEDING OPERATIONS.

3 1. As used in this section, unless the context otherwise  
4 requires:

5 a. "Animal feeding operation structure" means the same as  
6 defined in section 455B.161.

7 b. "Business association" means an entity organized under  
8 the laws of this state or another jurisdiction that does  
9 business in this state on a for-profit or not-for-profit  
10 basis, including but not limited to a corporation, cooperative  
11 association, joint stock company, mutual fund, association,  
12 limited partnership, limited liability partnership, limited  
13 liability company, or business trust.

14 c. "Confinement feeding operation" means the same as  
15 defined in section 455B.161 that is located in this state.

16 d. "Investment company" means a business association  
17 organized for purposes of making capital investments in  
18 businesses.

19 2. Except as expressly provided otherwise by another  
20 statutory provision referring specifically to this section, a  
21 provision that allows a taxpayer to claim a tax credit under  
22 this division based on the taxpayer's investment shall not  
23 apply to an investment that is used for financing any of the  
24 following:

25 a. A confinement feeding operation, including the  
26 construction or maintenance of an animal feeding operation  
27 structure that is part of the confinement feeding operation.

28 b. The acquisition or maintenance of an animal that is  
29 kept by a confinement feeding operation.

30 3. For purposes of this section, a taxpayer finances a  
31 confinement feeding operation or the acquisition or  
32 maintenance of an animal, regardless of whether the taxpayer  
33 makes the investment directly, the taxpayer makes the  
34 investment through another person or a chain of persons for  
35 the purpose of financing a confinement feeding operation or

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1 the acquisition or maintenance of an animal, or the taxpayer  
2 makes an investment in an investment company that finances the  
3 confinement feeding operation or the acquisition or  
4 maintenance of an animal.

5 Sec. 2. NEW SECTION. 422.41A INVESTMENT TAX CREDITS  
6 RESTRICTED -- CONFINEMENT FEEDING OPERATIONS.

7 Except as expressly provided otherwise by another statutory  
8 provision referring specifically to this section, a provision  
9 that allows a taxpayer to claim a tax credit under this  
10 division based on the taxpayer's investment shall not apply to  
11 an investment that is used for financing a confinement feeding  
12 operation or financing the acquisition or maintenance of an  
13 animal that is kept by a confinement feeding operation, in the  
14 same manner as provided in section 422.11F.

15 Sec. 3. NEW SECTION. 422.64 INVESTMENT TAX CREDITS  
16 RESTRICTED -- CONFINEMENT FEEDING OPERATIONS.

17 Except as expressly provided otherwise by another statutory  
18 provision referring specifically to this section, a provision  
19 that allows a taxpayer to claim a tax credit under this  
20 division based on the taxpayer's investment shall not apply to  
21 an investment that is used for financing a confinement feeding  
22 operation or financing of the acquisition or maintenance of an  
23 animal that is kept by a confinement feeding operation, in the  
24 same manner as provided in section 422.11F.

25 Sec. 4. NEW SECTION. 432.11A INVESTMENT TAX CREDITS  
26 RESTRICTED -- CONFINEMENT FEEDING OPERATIONS.

27 Except as expressly provided otherwise by another statutory  
28 provision referring specifically to this section, a provision  
29 that allows a taxpayer to claim a tax credit against the  
30 premium tax under this chapter based on the taxpayer's  
31 investment shall not apply to an investment that is used for  
32 financing a confinement feeding operation or financing the  
33 acquisition or maintenance of an animal that is kept by a  
34 confinement feeding operation, in the same manner as provided  
35 in section 422.11F.



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S.F. \_\_\_\_\_ H.F. \_\_\_\_\_

1 investment through an investment company.

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FEB 25 2002  
WAYS AND MEANS

HOUSE FILE 2523  
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO HSB 550)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act restricting investment tax credits related to confinement  
2 feeding operations, providing for an effective date, and  
3 providing for the Act's retroactive applicability.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2523

1 Section 1. NEW SECTION. 422.11F INVESTMENT TAX CREDITS  
2 RESTRICTED -- CONFINEMENT FEEDING OPERATIONS.

3 1. As used in this section, unless the context otherwise  
4 requires:

5 a. "Animal feeding operation structure" means the same as  
6 defined in section 455B.161.

7 b. "Business association" means an entity organized under  
8 the laws of this state or another jurisdiction that does  
9 business in this state on a for-profit or not-for-profit  
10 basis, including but not limited to a corporation, cooperative  
11 association, joint stock company, mutual fund, association,  
12 limited partnership, limited liability partnership, limited  
13 liability company, or business trust.

14 c. "Confinement feeding operation" means the same as  
15 defined in section 455B.161 that is located in this state.

16 d. "Investment company" means a business association  
17 organized for purposes of making capital investments in  
18 businesses.

19 2. Except as expressly provided otherwise by another  
20 statutory provision referring specifically to this section, a  
21 provision that allows a taxpayer to claim a tax credit under  
22 this division based on the taxpayer's investment shall not  
23 apply to an investment that is used for financing any of the  
24 following:

25 a. A confinement feeding operation, including the  
26 construction or maintenance of an animal feeding operation  
27 structure that is part of the confinement feeding operation.

28 b. The acquisition or maintenance of an animal that is  
29 kept by a confinement feeding operation.

30 3. For purposes of this section, a taxpayer finances a  
31 confinement feeding operation or the acquisition or  
32 maintenance of an animal, regardless of whether the taxpayer  
33 makes the investment directly, the taxpayer makes the  
34 investment through another person or a chain of persons for  
35 the purpose of financing a confinement feeding operation or

1 the acquisition or maintenance of an animal, or the taxpayer  
2 makes an investment in an investment company that finances the  
3 confinement feeding operation or the acquisition or  
4 maintenance of an animal.

5 Sec. 2. NEW SECTION. 422.41A INVESTMENT TAX CREDITS  
6 RESTRICTED -- CONFINEMENT FEEDING OPERATIONS.

7 Except as expressly provided otherwise by another statutory  
8 provision referring specifically to this section, a provision  
9 that allows a taxpayer to claim a tax credit under this  
10 division based on the taxpayer's investment shall not apply to  
11 an investment that is used for financing a confinement feeding  
12 operation or financing the acquisition or maintenance of an  
13 animal that is kept by a confinement feeding operation, in the  
14 same manner as provided in section 422.11F.

15 Sec. 3. NEW SECTION. 422.64 INVESTMENT TAX CREDITS  
16 RESTRICTED -- CONFINEMENT FEEDING OPERATIONS.

17 Except as expressly provided otherwise by another statutory  
18 provision referring specifically to this section, a provision  
19 that allows a taxpayer to claim a tax credit under this  
20 division based on the taxpayer's investment shall not apply to  
21 an investment that is used for financing a confinement feeding  
22 operation or financing of the acquisition or maintenance of an  
23 animal that is kept by a confinement feeding operation, in the  
24 same manner as provided in section 422.11F.

25 Sec. 4. NEW SECTION. 432.11A INVESTMENT TAX CREDITS  
26 RESTRICTED -- CONFINEMENT FEEDING OPERATIONS.

27 Except as expressly provided otherwise by another statutory  
28 provision referring specifically to this section, a provision  
29 that allows a taxpayer to claim a tax credit against the  
30 premium tax under this chapter based on the taxpayer's  
31 investment shall not apply to an investment that is used for  
32 financing a confinement feeding operation or financing the  
33 acquisition or maintenance of an animal that is kept by a  
34 confinement feeding operation, in the same manner as provided  
35 in section 422.11F.



1 feeding operation or the acquisition or maintenance of an  
2 animal, regardless of whether the taxpayer makes the  
3 investment directly, the taxpayer makes the investment through  
4 another person or a chain of persons, or the taxpayer makes an  
5 investment through an investment company.

6 The bill takes effect upon enactment and applies  
7 retroactively to tax years beginning on and after January 1,  
8 2002.

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